

From: Ryan, Michelle [JJCUS] </O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=47BEC354062F489489BC6D904992C1F5-MRYAN1>
To: Levesque, Michael
Sent: 7/19/2021 5:12:22 PM
Subject: RE: Litigation follow-up

CONFIDENTIAL

Thanks, will do

Michelle

From: Levesque, Michael <Michael.Levesque@moodys.com>
Sent: Monday, July 19, 2021 1:08 PM
To: Ryan, Michelle [JJCUS] <MRyan1@its.jnj.com>
Subject: [EXTERNAL] RE: Litigation follow-up

Thanks Michelle.

The short answer is that we are highly likely to evaluate such a development using a fundamental approach (cash outflow, impact on balance sheet, credit metrics etc.). So the technical aspect of a bankruptcy in and of itself does not add any extra concern -- apart from issues that could be problematic in the debt agreements. So as you continue that analysis we would still be interested in what you learn and whether any waivers or modifications need to be sought. Happy to chat further if you like.

Michael

From: Ryan, Michelle [JJCUS] <MRyan1@its.jnj.com>
Sent: Monday, July 19, 2021 9:59 AM
To: Levesque, Michael <Michael.Levesque@moodys.com>
Subject: RE: Litigation follow-up

CAUTION: This email originated from outside of Moody's. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Michael – sorry it has taken me a while to follow up on this question. We are looking at a number of ways of capping our talc liability, especially with the recent disappointing Supreme Court inaction on our case. One scenario being considered would be to capture the liability in one subsidiary, and fund that subsidiary for current and future losses, and then basically bankrupt that subsidiary. This is possible under Texas bankruptcy law related to asbestos claims specifically. We have not determined that this will be our approach. We are currently exploring the implications if we did take a step like this, to all aspects of our business, including debt and revolver agreements. Please let me know if you wild like to discuss further. Also, please let me know, if you can, how Moody's would view an action such this... meaning, would there be an impact on our credit rating or how Moody's views J&J from a financial policy perspective

Thanks very much

Michelle

From: Levesque, Michael <Michael.Levesque@moodys.com>
Sent: Thursday, July 1, 2021 1:39 PM



Michelle,

We had a technical question related to the debt agreements, and whether there would be potential for any channeling injunction scenarios to cause technical breaches or the listed events of default. We realize the contemplated scenario involves a subsidiary other than a J&J subsidiary, but we were thinking through what happens in the event the process went through and involved a J&J subsidiary after all.

While the bond indenture events of default looked extremely straightforward (referring only to the bankruptcy of J&J itself), the revolving credit agreement lists a lot of other scenarios that would be an event of default, some referring to any named Borrowers and some to Significant Subsidiaries; these are listed in Section 6. For example:

6e refers to a Borrower or Significant Subsidiary being unable to pay its debt

6f refers to a Borrower or Significant Subsidiary voluntarily filing for Chapter 11

We were curious whether these can be ruled out as issues (and under what basis) or whether some type of amendment would be needed. Also whether we may have missed anything else in the credit agreement or bond indenture.

Thank you in advance,
Michael

From: Ryan, Michelle [JJCUS] <MRyan1@its.inj.com>
Sent: Wednesday, June 2, 2021 12:03 PM
To: Levesque, Michael <Michael.Levesque@moodys.com>
Subject: Question

Michael – I spoke to our legal team on your Imerys question. They confirmed that what we are negotiating is: the bankruptcy is filed by Imerys, not a JNJ company, and we step in to cover obligations of Imerys. Please let me know if you have any other questions

Michelle

Moody's monitors email communications through its networks for regulatory compliance purposes and to protect its customers, employees and business and where allowed to do so by applicable law. The information contained in this e-mail message, and any attachment thereto, is confidential and may not be disclosed without our express permission. If you are not the intended recipient or an employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that you have received this message in error and that any review, dissemination, distribution or copying of this message, or any attachment thereto, in whole or in part, is strictly prohibited. If you have received this message in error, please immediately notify us by telephone, fax or e-mail and delete the message and all of its attachments. Every effort is made to keep our network free from viruses. You should, however, review this e-mail message, as well as any attachment thereto, for viruses. We take no responsibility and have no liability for any computer virus which may be transferred via this e-mail message.

Moody's monitors email communications through its networks for regulatory compliance purposes and to protect its customers, employees and business and where allowed to do so by applicable law. The information contained in this e-mail message, and any attachment thereto, is confidential and may not be disclosed without our express permission. If you are not the intended recipient or an employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that you have received this message in error and that any review, dissemination, distribution or copying of this message, or any attachment thereto, in whole or in part, is strictly prohibited. If you have received this message in error, please immediately notify us by telephone, fax or e-mail and delete the message and all of its attachments. Every effort is made to keep our network free from viruses. You should, however, review this e-mail message, as well as any attachment thereto, for viruses. We take no

